



## Insurance Institute of Michigan

MVR Fee Increase  
House Bill 5142  
As of January 24, 2014

The Insurance Institute of Michigan (IIM) opposes legislation, such as House Bill 5142, that would increase Motor Vehicle Record (MVR) fees to pay for development of a new state web portal accessed not only by insurance companies but many other users.

House Bill 5142 would allow the Secretary of State (SOS) to contract with a private company to provide “commercial look up services.” The private vendor would be the sole source for purchasing various SOS documents, such as vehicle, driver and voter records. The vendor would charge the current \$8 fee for MVRs, but also assesses an additional fee on each for development of the full-service web portal.

MVRs are an important part of auto insurance underwriting and rating. Access to MVR data help ensure the premium charged to consumers reflects the level of risk they represent, based on driving history. It is one of many factors used to determine premium, but critical to risk assessment.

In October of 2013, fees for MVRs rose from \$7 to \$8, (a 15% increase) which ultimately will be passed on to consumers. The additional increase in the legislation would result in a second hike for MVR users in less than a year.

Michigan residents already pay some of the highest auto insurance premiums in the country due to state medical coverage mandates significantly higher than what other states require. Additional fees on an already burdened system will lead to higher premiums for consumers.

At a time when the state government has a significant surplus, it is inappropriate to implement a back door tax on consumers.

This hidden tax on auto insurance policies is contrary to Governor Snyder’s desire to lower insurance costs by cost containment reforms and anti-fraud efforts.

*For more information, contact Peter Kuhnmuensch or Dyck Van Koevering at 517/371-2880*

**334 Townsend • Lansing • Michigan • 48933**  
**(517) 371-2880**  
**[www.iiinfo.org](http://www.iiinfo.org)**